

## Environmental and Social Review Summary (ESRS)

<b>Project Name:</b>	End-of-Life Tyre Recycling Facility
<b>Project Number:</b>	TT-T1133 and TT-G1003
<b>Project Location:</b>	Trinidad & Tobago
<b>Executing Agency:</b>	Ecoimpact Company, Ltd.
<b>Type of Operation:</b>	Prototype Contingent Recovery Investment Grant Non-Reimbursable Technical Cooperation
<b>ESRS Issuance Date:</b>	November, 2022

### 1. General Information of the Project and Overview of Scope of IDB Lab's Review

IDB Lab is providing a CRIG and a NTRC in favour of Ecoimpact Company, Ltd ("EC" or the "Company") to finance engineering advisory support, commissioning, training, and start-up of a used tyre recycling plant in Trinidad and Tobago ("T&T").

The Environmental and Social Due Diligence ("ESDD") consisted in a desk review of technical documentation provided by the Company and virtual meetings with its senior management.

### 2. Environmental and Social Categorization and Rationale

In accordance with the IDB's Environmental and Social Policy Framework, the Transaction has been classified in Category B because it could have moderate and mitigatable environmental and social impacts, which include: i) risks associated with working conditions, health, and occupational safety ("OHS") of workers; ii) waste generation; and iii) possible impacts to communities because of the traffic of trucks that transport the used tyres to the Company's facilities.

The Environmental and Social Performance Standards (PS) triggered by the transaction are i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; ii) PS2: Labor and working conditions; iii) PS3: Resource Efficiency and Pollution Prevention; iv) PS4: Community Health, Safety, and Security; and v) PS10: Stakeholder Engagement and Information Disclosure.

PS 5 (Land Acquisition and Involuntary Resettlement 5), PS 6 (Biodiversity Conservation and Natural Habitats ESPS 6), PS7 (Indigenous Peoples 7) and PS8 (Cultural Heritage) are not triggered given that the tyre recycling plant will be installed inside an existing warehouse of the Company.

### 3. Compliance with E&S National Laws and Permitting

As part of the permitting process, the Company obtained the Certificate of Environmental Clearance ("CEC") from the Environmental Management Authority ("EMA") of Trinidad and Tobago.

#### 4. Environmental and Social Context

The Used Tyre Recycling plant will be situated within an existing warehouse located in an industrial zone of Freeport Village, Freeport. It is estimated that a maximum of 2,400 mt of rubber crumb will be produced per annum.

#### 5. Environmental and Social Risks and Impacts and Proposed Mitigation Measures

**PS1: Assessment and Management of Environmental and Social Risks and Impacts.** The Environmental and Social Management System (ESMS) is made up of some policies and procedures to manage some of its E&S risks. The different elements of the Company's ESMS are made up of:

Policy. EC's Health, Safety, and Environmental Policy outlines the commitment of the Company to protect the health and safety of its employees and to protect the environment.

Identification of Risks and Impacts. The Company has a documented procedure to identify the ESHS risks systematically. EC is in the process of developing the risk matrices for the Used Tyre Recycling Facility. These matrices will be ready to be implemented before the plant starts operations.

Management Programs. EC has documented procedures to manage OHS risks as well as for waste generation and air quality.

Organizational Capacity. EC has established an organizational structure to manage ESHS Risks. An HSE Manager with direct reporting to the CEO is in charge of developing and implementing the ESMS with the support of HSE Coordinators and plant supervisors. Senior management participates in reviewing and monitoring policies and procedures, providing the necessary resources to improve continually.

Emergency Preparedness and Response. The HSE Manual dictates that each facility of the Company will develop an Emergency Response Plan containing provisions on how to handle various emergencies such as fires, chemical spills/releases, personal injury/illness, and natural disasters. EC is in the process of developing an ERP for the Used Tyre Recycling Facility, which will be implemented before the plant starts operations.

Monitoring and Review. The Company has a policy of performing planned and unplanned HSE audits to verify the effectiveness of its ESMS and identify areas that need improvement. The Company will report to IDB Lab its E&S performance.

Stakeholder Engagement and Public Consultation. As part of obtaining the environmental permit, the Company contacted its external stakeholders disclosing relevant project information.

External Grievance Mechanism. Social external parties can submit their grievances by phone through email, in person, or through the form available at the following link: <https://ecoimpacttt.com/contact-page/>

**Labor and Working Conditions (ESPS 2).** The plant is expected to require 4-5 permanent employees with a working week of 40 hours Monday to Friday. Employees can submit their grievances through the same channels available for external stakeholders. The EHS Manual provides tool to manage OHS risks, including the preparation of Job Safety Analysis, periodic OHS audits and procedures to report and investigate accidents.

### Resource Efficiency and Pollution Prevention (ESPS 3):

Water. Approximately 3T (2,200gl) will be needed to cool the machines. Water is recirculated into the system.

Electricity. Electricity required to power the machines will be supplied from the T&T grid.

Waste. The Tyre Recycling Facility will generate the following types of wastes: hazardous waste (used hydraulic oil), general office waste (e.g. paper, paper towels and food containers) and solid waste (old pallets, non-recyclable materials and wire). Recyclable waste will be either exported or reused by CE's group of companies. Hazardous waste will be withdrawn by a local environmental and waste management service company for safe disposal. No effluents will be generated as part of the tyre recycling process.

Emissions. Even though the tyre recycling facility is expected to yield 10-20mm rubber particles without power output, the Company will be required to regularly monitor air quality to verify compliance with local and international air quality standards (PM2.5 and PM10).

Noise. The facility is expected to generate low-level noise, but below the local limit of 75bBA.

### 6. Environmental and Social Action Plan (ESAP)

No	Issue	Activity	Deliverable	Deadline
1	Identification of Risks and Impacts	Deliver OHS and Environmental Risk Matrices for the used tyre recycling facility.	OHS and Environmental Risk Matrices	January 15 2023
2	Emergency Preparedness and Response	Develop an EPR for the used tyre recycling facility	EPR	January 15 2023
3	Monitoring and Reporting	Report to IDB Lab on its E&S performance.	Environmental and Social Compliance Report	January 31